

STEVEN BENITO RUSSO, SBN 104858
Chief of Enforcement
JULIA BILAUER, SBN 192155
Senior Commission Counsel
FAIR POLITICAL PRACTICES COMMISSION
428 J Street, Suite 620
Sacramento, CA 95814
Telephone: (916) 322-5660
Facsimile: (916) 322-1932

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SACRAMENTO

FAIR POLITICAL PRACTICES COMMISSION,)	Case No.
a state agency,)	
Plaintiff,)	
v.)	STIPULATION FOR ENTRY OF
)	JUDGMENT
ASSOCIATION OF CALIFORNIA SCHOOL)	(IN FAVOR OF PLAINTIFF AGAINST
ADMINISTRATORS ISSUES POLITICAL)	DEFENDANTS)
ACTION COMMITTEE AND BOB WELLS,)	
Defendants.)	UNLIMITED CIVIL ACTION

Plaintiff Fair Political Practices Commission, a state agency, by its attorneys, and Defendants Association of California School Administrators Issues Political Action Committee and Bob Wells enter into this stipulation to resolve all factual and legal issues pertaining to the complaint for civil penalties filed herewith.

It is stipulated by and between the parties as follows:

The complaint on file in this action was properly filed and served on Defendants Association of California School Administrators Issues Political Action Committee (the "Committee") and Bob Wells.

Jurisdiction of the subject matter and of the parties to this action and venue are properly in Sacramento County Superior Court. The complaint states one cause of action against Defendants Committee and Bob Wells, and any defects in the complaint are expressly waived.

1 The Court will enter judgment in this action, pursuant to the stipulation, on request of Plaintiff
2 Fair Political Practices Commission (the "FPPC") without notice to Defendants Committee or Bob
3 Wells.

4 Plaintiff FPPC and Defendants Committee and Bob Wells agree to enter into this stipulation to
5 resolve all factual and legal issues raised by this matter, and to reach a final disposition with respect to
6 Defendants, without the necessity of holding a civil trial to determine the liability of Defendants.

7 Defendants Committee and Bob Wells understand, and hereby knowingly and voluntarily waive,
8 any and all procedural rights including, but not limited to, their right to civil discovery, to appear
9 personally at any civil trial held in this matter, to confront and cross-examine witnesses, and to have the
10 trial presided over by an impartial judge, and heard and decided by a jury.

11 **ENTRY OF JUDGMENT**

12 For the violations of the Political Reform Act admitted herein, Plaintiff FPPC and Defendants
13 Committee and Bob Wells stipulate that a final judgment be issued and entered in the form of the order
14 attached hereto and made a part hereof as Exhibit "A," against Defendants, and in favor of Plaintiff, for
15 a monetary penalty of Twenty-five Thousand Dollars (\$25,000). Payment of this amount shall be made
16 by a cashier's check, payable to the "General Fund of the State of California," upon the execution of this
17 stipulation. The parties shall each bear their own attorney's fees and costs.

18 The final judgment may be signed by any judge of the Superior Court of the State of California,
19 in and for the County of Sacramento, and entered by any clerk upon application of any party without
20 notice.

21 Defendants Committee and Bob Wells further stipulate and agree to pay any court appearance
22 fees required for the filing of this civil stipulation.

23 **STIPULATED STATEMENT OF LAW AND FACTS**

24 1. **THE PARTIES AND BACKGROUND INFORMATION**

25 Plaintiff Fair Political Practices Commission is a state agency created by the Political Reform
26 Act of 1974 (the "Act"). (Gov. Code, §§ 81000 - 91014.) Plaintiff FPPC has primary responsibility for
27 the impartial, effective administration and implementation of the Act. (Gov. Code, § 83111.) Pursuant
28 to Government Code section 91001, subdivision (b), Plaintiff FPPC is the civil prosecutor for matters

1 involving state election campaigns, and is authorized to maintain this action under Government Code
2 sections 91001, subdivision (b), and 91004.

3 Defendant Association of California School Administrators Issues Political Action Committee
4 was, at all times relevant to this matter, a state general purpose recipient committee as defined in
5 Government Code sections 82013, subdivision (a), and 82027.5, subdivision (b).

6 Defendant Bob Wells, the Executive Director of the Association of California School
7 Administrators, was, at all times relevant to this matter, the treasurer of Defendant Committee.

8 2. SUMMARY OF THE CAMPAIGN REPORTING LAWS

9 An express purpose of the Act, as set forth in Government Code section 81002, subdivision (a),
10 is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully
11 disclosed to the public, so that voters may be better informed, and so that improper practices may be
12 inhibited. In furtherance of this purpose of disclosure, the Act sets forth a comprehensive campaign
13 reporting system. (Gov. Code, § 84200 et seq.)

14 Government Code section 82013, subdivision (a) defines a “committee” as any person or
15 combination of persons who directly or indirectly receives contributions totaling \$1,000 or more in a
16 calendar year. This type of committee is commonly referred to as a “recipient” committee. Any person
17 or persons who constitute a committee, pursuant to Government Code section 82013, subdivision (a), is
18 required to file periodic campaign statements and reports disclosing the financial activity of the recipient
19 committee, as required under the Act.

20 Government Code section 84200.5, subdivision (d) requires a state general purpose committee to
21 file a pre-election campaign statement before a statewide election when the committee is a recipient
22 committee, as defined in section 82013, subdivision (a), and the committee makes contributions totaling
23 \$500 or more during the period covered by the pre-election campaign statement. As defined by
24 Government Code section 82027.5, subdivision (b), a state general purpose committee includes a
25 committee that supports or opposes candidates or measures voted on in a state election.

26 Government Code section 84200.7 sets forth the pre-election filing schedule for November
27 elections held in even-numbered years. Under that statute, the first pre-election campaign statement
28 must be filed no later than October 5, covering the reporting period July 1 through September 30. The

second pre-election campaign statement must be filed no later than 12 days before the election, for the period ending 17 days before the election. For the November 7, 2000 election, the filing deadline for the second pre-election statement was October 26, 2000.

3. CIVIL LIABILITY PROVISIONS

Government Code section 91004 provides that any person who intentionally or negligently violates any of the reporting requirements of the Act shall be liable in a civil action in an amount up to the amount not properly reported. Persons that violate Government Code section 84200.5 are liable in a civil action brought pursuant to Government Code section 91004.

Pursuant to Government Code sections 81004, subdivision (b) and 84100, and California Code of Regulations, title 2, section 18427, subdivision (a), it is the duty of a committee's treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee's treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Gov. Code, § 91006.)

4. SUMMARY OF THE FACTS

On and between July 1 and October 21, 2000, Defendants Committee and Bob Wells raised approximately \$426,616, and spent approximately \$430,807, to oppose the passage of Proposition 38, in the November 7, 2000 statewide general election. Prior to the election, Defendants failed to disclose 100 percent of the total contributions that they received, and the total contributions that they made. Proposition 38 was an unsuccessful ballot measure that would have authorized annual state payments of \$4,000 per student for private and religious education. Proposition 38 was rejected by 70 percent of the voters.

Failure to Timely File First Pre-election Campaign Statement

Defendant Committee, as a state general purpose recipient committee active in the November 7, 2000 statewide general election, and Defendant Bob Wells, as the treasurer of Defendant Committee, had a duty to file a first pre-election campaign statement by October 5, 2000, disclosing contributions received and expenditures made during the reporting period July 1 through September 30, 2000. Defendants failed to file the required first pre-election campaign statement, for the reporting period July

1 1 through September 30, 2000, by the October 5, 2000 due date. Defendants did not file the first pre-
2 election campaign statement that was due by October 5, 2000 until February 20, 2001, three months
3 after the November 7, 2000 statewide general election in which Proposition 38 appeared on the ballot.
4 The first pre-election campaign statement filed on February 20, 2001 revealed that during the first pre-
5 election reporting period, Defendants received contributions totaling \$386,616, and made expenditures
6 in the form of contributions totaling \$380,807.

7 By intentionally or negligently failing to file a first pre-election campaign statement by October
8 5, 2000, disclosing \$386,616 in contributions and \$380,807 in expenditures, Defendants violated
9 Government Code section 84200.5, subdivision (d).

10 Failure to Timely File Second Pre-election Campaign Statement

11 Defendant Committee, as a state general purpose recipient committee active in the November 7,
12 2000 statewide general election, and Defendant Bob Wells, as the treasurer of Defendant Committee,
13 had a duty to file a second pre-election campaign statement by October 26, 2000, disclosing
14 contributions received and expenditures made during the reporting period October 1 through October 21,
15 2000. Defendants failed to file the required second pre-election campaign statement, for the reporting
16 period October 1 through October 21, 2000, by the October 26, 2000 due date. Defendants did not file
17 the second pre-election campaign statement that was due by October 26, 2000 until February 20, 2001,
18 three months after the November 7, 2000 statewide general election in which Proposition 38 appeared
19 on the ballot. The second pre-election campaign statement filed on February 20, 2001 revealed that
20 during the second pre-election reporting period, Defendants received contributions totaling \$40,000, and
21 made expenditures in the form of contributions totaling \$50,000.

22 By intentionally or negligently failing to file a second pre-election campaign statement by
23 October 26, 2000, disclosing \$40,000 in contributions and \$50,000 in expenditures, Defendants violated
24 Government Code section 84200.5, subdivision (d). Defendants have not previously been the subject of
25 an FPPC enforcement action.

26 //

27 //

28 //

CONCLUSION

Judgment shall be entered against Defendants Association of California School Administrators Issues Political Action Committee and Bob Wells and in favor of Plaintiff Fair Political Practices Commission, in the amount of Twenty-five Thousand Dollars (\$25,000).

IT IS SO STIPULATED:

Dated: _____

Bob Wells, individually and on behalf of Association of
California School Administrators Political Action
Committee, Defendants

Dated: _____

Fair Political Practices Commission, Plaintiff

By: _____
Mark Krausse, Executive Director

Dated: _____

Julia Bilaver, Attorney for Plaintiff
Fair Political Practices Commission